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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

19 May 1950

MEMORANDUM FOR: []

SUBJECT: BGFIEND-OPC Action Against Shipping to Albania

REFERENCE: Memorandum by [] Dated 7 March
1950, T. S. No. 38742 (copy attached).

1. In considering the problem of economic warfare against Albania it has become clear that one of Albania's most vulnerable sides in the economic field is shipping. Such other actions of economic warfare as debasement of currency, black market activities, encouraging hoarding, etc., while useful, are limited, if not questionable, in effectiveness; particularly so against Albania, a small country where there isn't much to be hoarded, where trading is done by barter rather than with money, and whose primitive form of economy is not greatly affected by black market activities. To a country like Albania which with the exception of oil, produces little and manufactures practically nothing, shipping becomes a most vital part of its economy; and--particularly in the case of Albania--it becomes a convenient target of economic warfare. In the circumstances, it is considered desirable and feasible to attempt the destruction by fire, on the high seas, of two Albanian vessels sailing out of the port of Trieste.

2. The problem of economic warfare against Albania, as it presents itself in Trieste, is discussed in detail in the memorandum under reference, the specific operation herein envisaged being outlined in 3 c of that memorandum.

3. The proposed action is in line with the implementation of paragraph 7 b 4 of the approved BGFIEND final plan of 6 December 1949, which provides that "we should immediately undertake action in the economic field to exacerbate the already difficult economic situation in Albania, and consequently weaken the hold of Government on the Albanian people Such operations would include measures to further restrict the flow of supplies into Albania from outside countries and would be supported by psychological warfare activities designed to worsen the internal economic situation."

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4. If successful, this action would accomplish:

a. Destruction of precious Albanian tonnage; depletion—through the purchase of replacement tonnage—of the meager Albanian reserves of hard currency; consignment of additional, sorely needed, Russian or Satellite shipping to the Albanian service.

b. Curtailment of the already scanty supplies of machinery, buses, trucks, possibly arms, and other sorely needed merchandise, shipped to Albania by Russia and/or its satellites, and other countries.

c. It would increase the risks and, thereby, discourage the call of Albanian ships at Trieste, thus creating difficulties in the transportation of supplies to Albania.

d. By implication that the destruction of the vessels was brought about by the Albanian underground, it would enhance the importance of the underground, and raise the morale and will-to-resist of the Albanian people.

e. By implication that the act was brought about by treachery among the crews, it would engender mutual suspicion, recrimination and dissention in the ranks of communist officials handling shipping and selecting crews, with possible greater repercussions.

f. It would cause uneasiness in the Albanian Government.

g. Points d. and e. above, would provide an excellent theme for effective psychological warfare against Albania to be exploited by the Free National Albanian Committee.

5. The undertaking of this operation would provide OPC with an opportunity for exploring the possibility of organizing cells in Trieste and/or elsewhere for continuing and expanding economic warfare activities against Albania.

6. In general, aside from the fact that to a small country like Albania, with very limited resources, a successful action of this character would constitute a significant psychological and economic blow, the action in itself is bound to have far-reaching psychological effect on those Pixies who are now or may be in the future involved in other BGFIEND operations; it will provide concrete proof that something is actually being done that they can grasp.

7. It is possible, of course, that the operation might fail or be compromised. If it fails, the loss will be small, and will be worth the effort if only for the experience to be obtained. If it be

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compromised, it may play into the hand of enemy propaganda. However, there appear to be no very serious elements involved in the enterprise which might conceivably cause embarrassment to the U. S. Government.

8. It is believed that the proposed operation is worth the risk, and its approval is strongly recommended.

[]
Chief, EE-I

GMV/PC/aef

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